



The Confederated Tribes of the Colville Reservation  
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Environmental Trust Department

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UCRSF 2.1  
07/19/06

July 19, 2006

OFFICE OF ENVIRONMENTAL TRUST

Kevin Rochlin  
Sally Thomas  
Remedial Project Managers  
US EPA Region 10  
1200 6<sup>th</sup> Avenue, ECL-112  
Seattle, WA 98101

*RE: Allocation of TCAI's Annual Prepaid Funding to the Cooperating Parties*

Dear, Kevin Rochlin & Sally Thomas:

On June 2, 2006, the Environmental Protection Agency ("EPA"), Teck Cominco America Incorporated ("TCAI") and Teck Cominco Metals, Ltd. entered into a settlement agreement under which TCAI agreed to conduct a remedial-investigation and feasibility-studies ("RI/FS") and related activities at the Upper Columbia River Site ("Settlement Agreement"). A key component of this contractual arrangement was TCAI's agreement to prepay funds on an annual basis to the Confederated Tribes of the Colville Reservation ("CTCR"), the Spokane Tribe of Indians ("STI") and the State of Washington ("State") (the "Cooperating Parties").

The purpose of this letter is to inform EPA about the Cooperating Parties' decision regarding the allocation of these funds.

A. Distribution of Prepaid Funds Among the Cooperating Parties

Pursuant to Paragraph 48 of the Settlement Agreement, TCAI has an obligation to annually pre-pay \$500,000 to EPA for transmittal to the CTCR, the STI and the State to help offset their costs of participating in the RI/FS process ("Participation Costs"). Under the specific terms of the Settlement Agreement, each annual prepayment is intended to be a pass-through from TCAI to the Cooperating Parties, with EPA serving simply as the conduit for that financial transfer. These funds were intended to be independent of any other funds appropriated by EPA from the U.S. Treasury for purposes of the RI/FS.

By the agreement of the Cooperating Parties and in accordance with Paragraph 48, these prepaid funds are to be allocated on an annual basis in the following manner: The CTCR shall receive \$250K; the STI shall receive \$150K; and the State shall receive



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\$100K. The Cooperating Parties intend for this disbursement formula to continue for the term of the RI/FS, as long as TCAI continues to make annual prepayments at the current level of \$500K or until the Cooperating Parties determine another formula is more appropriate.

The CTCR are currently drafting an Amendment to our current RI/FS Cooperative Agreement and will be sending this to you as soon as it is completed.

Sincerely,



Gary Passmore  
Director, Office of Environmental Trust  
Confederated Tribes of the Colville Reservation

cc: Virgil Seymor  
D.R. Michel  
Patti Bailey  
Richard Du Bey